

AMENDED IN SENATE JUNE 3, 2003

AMENDED IN SENATE MAY 8, 2003

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 359

Introduced by Senator Figueroa

February 19, 2003

An act to *amend Section 94990 of, and to add Sections 94779.1, 94779.3, and 94779.4 to, and to add and repeal Section 94779.2 of, the Education Code, relating to the Bureau for Private Postsecondary and Vocational Education, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 359, as amended, Figueroa. Joint Legislative Sunset Review Committee.

Existing law establishes the Joint Legislative Sunset Review Committee, and specifies its duties with respect to the review of various boards and commissions. Existing law establishes the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. *Existing law requires the bureau to prepare and conduct, every 4 years commencing in 2001, certain analyses, reports, public hearings, evaluations, and determinations pursuant to the sunset review process.*

This bill would *instead impose that requirement every 4 years commencing in 2002. The bill would require the committee and bureau to evaluate certain provisions of law applicable to private postsecondary institutions to determine what changes are advisable to improve the effectiveness of the state's regulation of those institutions.*

The bill would require the bureau to ~~review its fee structure to determine what changes are appropriate and to recommend those changes~~ *objectively assess the cost of meeting its statutory obligations, determine the staffing necessary to meet those obligations, determine whether the current fee structure supports that staffing, and report that information to the Director of Consumer Affairs and the committee by October 1, 2004. The bill would require the Director of Consumer Affairs to appoint a Bureau of Private Postsecondary and Vocational Education Operations and Administrative Monitor by January 31, 2004. The bill would require the monitor to, among other things, assess the bureau's administrative operations and to submit a report to the director, the bureau, and the Legislature by October 1, 2004. The bill would require the bureau to report to the Legislature on October 1, 2003, on its progress in accomplishing corrective actions to resolve deficiencies found in specified audits. The bill would require the bureau to establish an expanded outreach program for prospective and current private postsecondary and vocational education students and high school students, subject to certain conditions.*

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~ ^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 94779.1 is added to the Education Code,
 2 to read:
 3 94779.1. (a) The bureau shall work together with the staff of
 4 the Joint Legislative Sunset Review Committee, along with
 5 representatives of regulated institutions, the California
 6 Postsecondary Education Commission, the California Student Aid
 7 Commission, students, and other interested parties to revise this
 8 chapter to streamline its provisions and eliminate contradictions,
 9 redundancies, ambiguities, conflicting provisions, and
 10 unnecessary provisions, including consideration of having
 11 accreditation by the United States Department of Education
 12 approved regional accrediting bodies replace some of the bureau's
 13 approval requirements of degree-granting institutions,
 14 educational programs, and instructors. In addition, the bureau, in
 15 conjunction with these various entities, shall evaluate the

provisions of this chapter to determine what additional changes are advisable to improve the effectiveness of the state's regulation of private postsecondary and vocational education, including, but not limited to, the need to regulate out-of-state postsecondary institutions that offer educational programs to California students via the Internet and the feasibility of that regulation, and the type and timeliness of information required to be provided to the bureau.

~~(b) The bureau shall review its current fee structure to determine what changes might be appropriate and to recommend those changes to the Joint Legislative Sunset Review Committee~~

(b) The bureau shall objectively assess the cost of meeting its statutory obligations, determine the staffing necessary to meet those obligations, determine whether the current fee structure allows for collection of revenue sufficient to support the necessary staffing, and report that information to the Director of Consumer Affairs and the Joint Legislative Sunset Review Committee by October 1, 2004.

(c) The bureau shall continue to make additional improvements to its data collection and dissemination systems so that it will provide improved reporting of information regarding the private postsecondary and vocational education sector, and improved monitoring of reports, initial and renewal applications, complaint and enforcement records, and collection of fees among other information necessary to serve the bureau's wide-ranging data management needs effectively.

SEC. 2. ~~Section 94779.2 is added to the Education Code, to read:~~

~~94779.2. (a) (1) The Director of Consumer Affairs shall appoint a Bureau of Private Postsecondary and Vocational Education Operations and Administrative Monitor no later than January 31, 2004. The director may retain a person for this position by a personal services contract. In this connection, the Legislature finds, pursuant to Section 19130 of the Government Code, that this is a new state function.~~

~~(2) The director shall supervise the operations monitor and may terminate or dismiss him or her from this position.~~

~~(b) The director shall advertise the availability of this position. The requirements for this position shall include experience in performing audits of or operating state administrative regulatory~~

1 agencies, familiarity with state laws, rules, and procedures
2 pertaining to the bureau, and familiarity with relevant
3 administrative procedures.

4 (e) (1) The operations monitor shall assess the bureau's
5 administrative operations, including its school approval, applicant
6 review, revenue collection, and complaint and enforcement
7 processes and procedures with the primary goal of improving the
8 bureau's overall efficiency and compliance with state laws.

9 (2) This monitoring duty shall be on a continuing basis for a
10 period of no more than two years from the date of the operations
11 monitor's appointment and shall include, but not be limited to,
12 improving the quality and consistency of complaint processing
13 and investigation and reducing timeframes for each, reducing any
14 complaint backlog, and ensuring consistency in the application of
15 sanctions or discipline imposed on regulated institutions and
16 persons. Further, this monitoring duty shall include, but not be
17 limited to, improving quality and timeliness of application and
18 approval processes for regulated institutions and persons, the
19 collection of fees, the collection of information from, and the
20 ability to disseminate information regarding, those entities or
21 persons regulated by the bureau, and improving the bureau's
22 ability to perform outreach to prospective students of private
23 postsecondary and vocational educational institutions.

24 (3) The operations monitor shall exercise no authority over the
25 bureau's management or staff; however, the bureau and its staff
26 shall cooperate with him or her, and shall provide data,
27 information, and files as requested by the monitor to perform all
28 of his or her duties.

29 (4) The director shall assist the operations monitor in the
30 performance of his or her duties, and the operations monitor shall
31 have the same investigative authority as the director.

32 (d) The operations monitor shall submit an initial written report
33 of his or her findings and conclusions to the director, the bureau,
34 and the Legislature no later than October 1, 2004, and make
35 followup status reports every six months thereafter, and shall be
36 available to make oral reports to each if requested to do so. The
37 operations monitor may also provide additional information to
38 either the department or the Legislature at his or her discretion or
39 at the request of either the department or the Legislature. The
40 operations monitor shall make his or her reports available to the

~~public and the media. The operations monitor shall make every effort to provide the department and the bureau with an opportunity to reply to any facts, findings, issues, or conclusions in his or her reports with which the department or the bureau may disagree.~~

~~(e) The bureau shall reimburse the department for all of the costs associated with the employment of an operations manager.~~

~~(f) This section shall remain in effect only until April 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before April 1, 2006, deletes or extends that date.~~

~~SEC. 3.~~ Section 94779.3 is added to the Education Code, to read:

94779.3. (a) The bureau shall establish an expanded outreach program for prospective and current private postsecondary and vocational education students and high school students, to provide them with information on how best to select postsecondary or vocational schools, how to enter into contracts and student enrollment agreements, how to protect themselves in the postsecondary and vocational education marketplace, and how to contact the bureau for assistance if problems arise.

(b) Notwithstanding subdivision (a), the bureau may not establish an expanded outreach program pursuant to that subdivision until (1) the bureau reports to the Director of Consumer Affairs and to the Joint Legislative Sunset Review Committee on its fee structure and revenues pursuant to subdivision (b) of Section 94779.1, (2) the Director of Consumer Affairs makes findings after submittal of that report that the bureau has sufficient revenues to meet its current obligations and that the cost of an outreach program will not further jeopardize the bureau's ability to meet those obligations, and (3) the director reports those findings to the committee.

~~SEC. 4.~~

SEC. 3. Section 94779.4 is added to the Education Code, to read:

94779.4. The bureau shall report to the Legislature, no later than October 1, 2003, on its progress in accomplishing the corrective actions necessary to resolve the deficiencies found in the audit performed by the department's Internal Audit Office, and any remaining deficiencies found in the 2000 audit by the Bureau of State Audits. In particular, the bureau shall report on the status

1 and timeliness of its complaint and enforcement, and application
2 and renewal processes and procedures, the condition of the
3 Student Tuition Recovery Fund and the status of any claims
4 thereon, the status and timeliness of its various approval or
5 registration processes, the status and capabilities of its data
6 processing and dissemination system, its outreach efforts to
7 current and prospective private postsecondary and vocational
8 education students, and any recommendations for improvement to
9 its operations, including any recommendations regarding
10 revisions to this chapter.

11 *SEC. 4. Section 94990 of the Education Code is amended to*
12 *read:*

13 94990. The bureau is subject to the sunset review process
14 conducted by the Joint Legislative Sunset Review Committee
15 pursuant to Division 1.2 (commencing with Section 473) of the
16 Business and Professions Code. Notwithstanding that this chapter
17 does not specify that it will become inoperative on a specified date,
18 the analyses, reports, public hearings, evaluations, and
19 determinations required to be prepared, conducted, and made
20 pursuant to Division 1.2 (commencing with Section 473) of the
21 Business and Professions Code shall be prepared, conducted, and
22 made in ~~2001~~ 2002 and every four years thereafter as long as this
23 chapter is operative.

24 *SEC. 5. This act is an urgency statute necessary for the*
25 *immediate preservation of the public peace, health, or safety*
26 *within the meaning of Article IV of the Constitution and shall go*
27 *into immediate effect. The facts constituting the necessity are:*

28 *In order for the provisions of this act to take effect as soon as*
29 *possible, it is necessary that this act take effect immediately.*

